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October 1, 2012

To: Governor Beverly Eaves Perdue

Members of the 2012 North Carolina General Assembly

Commissioner of Agriculture, Steven W. Troxler

From: The North Carolina Sustainable Local Food Advisory Council

Re: 2012 Annual Report

The North Carolina Sustainable Local Food Advisory Council (Council) herewith submits for your consideration its 2012 annual report. This report was prepared by staff of the Commissioner of Agriculture, at the direction of the Council, and has been approved by the Council.

This report duly reflects the business of the Council for fiscal year 2012 and provides recommendations of the Council for future legislative action and for new or revised rules and policies that impact "health and wellness, hunger and food access, economic development and preservation of farmlands and water resources" for North Carolina pursuant to G.S. 106-833.

Respectfully submitted,

Commissioner Steven W. Troxler, Chair

Dr. Nancy Creamer, Vice Chair

PREFACE

October 1, 2012

The North Carolina Sustainable Local Food Advisory Council (Council) provides its third annual report to Governor Perdue, members of the North Carolina General Assembly and Commissioner of Agriculture Troxler as charged in NC G.S.106-833.

The major items of the report are recommendations for legislative action, rule-making or policy opportunities, and an account of the proceedings of the Council. This includes activities of Subcommittees and work groups established by the Council.

The Council was established in August 2009 with a purpose mandated by NC G.S. 106-830, "to contribute to building a local food economy, thereby benefiting North Carolina by creating jobs, stimulating statewide economic development, circulating money from local food sales within local communities, preserving open space, decreasing the use of fossil fuel and thus reducing carbon emissions, preserving and protecting the natural environment, increasing consumer access to fresh and nutritious foods, and providing greater food security for all North Carolinians."

The Council is chaired by Commissioner of Agriculture, Steve Troxler, and has 27 members as appointed by the Governor, the Commissioner, the President Pro Tempore of the Senate, and the Speaker of the House pursuant to N.C. G.S. 106-830. Details regarding the full membership of the Council are listed in Appendix B of this report. Information concerning Council and Subcommittee meetings and business actions of the Council is available on the Council website located at http://www.ncagr.gov/localfood.

ACTIVITIES AND ACCOMPLISHMENTS

The Council met four times in 2012 after submitting its 2011 Annual Report on October 1, 2011. There were also five meetings of the executive committee, nine subcommittee meetings and numerous meetings of various work groups established by the subcommittees to provide additional study and deliberation of specific issues. Experts in specific fields of study or in agencies not represented by membership on the Council were invited to participate in the deliberations of the subcommittees and work groups. Many of the Council recommendations involved funding requests. Because of statewide budget shortfalls, the Council primarily postponed legislative requests and sought funding from other entities including federal and private foundation funding.

Recommendations

The Council's Annual Report, issued in October 2011, made several recommendations to Governor Perdue and members of the NC General Assembly. The following provides an update on the actions taken on these recommendations:

- 1. Extend the Sunset Date of the Council until July 31, 2017: G.S. 106-833 established the North Carolina Sustainable Local Food Advisory Council with a sunset that expired July 31, 2012.
 - Action Taken: Senate Bill 491 (Session Law 2012-75) An Act to Extend the Sunset on the Law Establishing the North Carolina Sustainable Local Food Advisory Council.
- 2. Permanent Council Staff and Operating Budget: Appropriate \$100,000 in recurring funds to provide for one permanent position in the NCDA&CS that will serve as staff for the Council and to provide for recurring costs of Council activities. A permanent staff position will provide continuity and consistency to Council activities.
 - **Action Taken:** No legislative action was taken regarding funding for the Council. The NCDA&CS has submitted a letter of inquiry to the Golden LEAF Foundation requesting funding assistance to provide administrative support for the Council until a permanent solution can be identified.
- 3. Conservation Trust for North Carolina Representation: Statutorily designate one representative of the Conservation Trust for North Carolina (CTNC) as a member of the Council in lieu of the appointment of one representative of the North Carolina Farm Transition Network, Inc. The North Carolina Farm Transition Network, Inc. has terminated its Executive Director position and no longer has staff available to work with the Council. CTNC works directly with farmers and landowners to protect farmlands for the future and to help landowners transition their properties to the next generation.

Action Taken: Senate Bill 491 (Session Law 2012-75) An Act to Extend the Sunset on the Law Establishing the Sustainable Local Food Advisory Council adds a representative of the Conservation Trust for North Carolina.

4. Appropriate \$55,000 to NCDA&CS for a consumer-level survey of local food interests in North Carolina: The United States Department of Agriculture-National Agricultural Statistics Service, NCDA&CS, the North Carolina Cooperative Extension Service and other agencies and organizations as applicable will develop a comprehensive study of the elements of the local food system to promote growth and investment in the development of the local food economy in North Carolina.

Action Taken: No legislative action was taken regarding consumer-level survey of local food interests in North Carolina. The NCDA&CS submitted a letter of inquiry to the Golden LEAF Foundation to request funding for this item.

- **5. Increase institutional purchasing of local food in North Carolina:** Adopt legislation that includes one or more of the following:
 - a. Establish state government purchasing goals for local foods (e.g. 20% by 2020)
 - b. Establish a government purchase preference for North Carolina products over non North Carolina products when prices are equal or within 5% of the bid price
 - c. Create a vendor list that indicates state/country of origin
 - d. Establish that NC vendors are given the opportunity to match lowest/winning bid for government purchases

Action Taken: No legislative action was taken regarding increasing institutional purchasing of local food in North Carolina. This item remains a priority for the Council.

- 6. Appropriate funds to increase the storage and preparation facilities in those schools in North Carolina lacking the equipment necessary to participate in the Farm to School program: Top barriers, as identified by a 2011 NCDA&CS survey of Child Nutrition Directors to purchasing fresh, local produce through the N.C. Farm to School program include:
 - 1. Lack of walk-in refrigeration space
 - 2. Lack of staff/facilities to prepare fresh produce
 - 3. Nutrition program does not have warehouse space
 - 4. Ordering method
 - 5. Lack of preparation equipment

Action Taken: The House Select Committee on Childhood Obesity introduced HB 1099 Support Procurement and Farm to School Funds. However, the bill did not pass. The Blue Cross Blue Shield North Carolina Foundation (BCBSNCF) and Golden LEAF Foundation have funded a pilot project to fund five new refrigerated tractor-trailers, increasing the distribution of local fruits and vegetables to 35 additional school systems statewide. BCBSNCF and Golden LEAF have provided \$1.2 million to support expansion of the Farm to School program in N.C.

7. Public and Private Utility Extensions: Recommend the N.C. Utilities Commission establish by statute and institute by rule protections that ensure public and private utility extensions are installed with minimal negative impacts on agricultural land.

Action Taken: No legislative action was taken regarding public and private utility extensions in North Carolina.

8. Agricultural land is given the greatest protection possible in condemnation proceedings.

Action Taken: No legislative action was taken regarding agricultural land in condemnation proceedings in North Carolina.

9. New member on NC Sustainable Communities Task Force: to include an appointment of a member of the North Carolina Sustainable Local Food Advisory Council.

Action Taken: No legislative action was taken regarding a named position from the Council to serve on the NC Sustainable Communities Task Force. Staff to the Council had informal discussions with task force members to initiate informal participation on behalf of the Council.

10. Funding for Good Agricultural Practices (GAP) Cost Share Program: Recommend that the General Assembly provide supplemental funds for the Good Agricultural Practices (GAP) Cost Share Program within the NCDA&CS.

Action Taken: No legislative action taken regarding funding for the GAP Cost Share program. NCDA&CS continues to seek and provide cost-share for GAP certification to address increasing demand. In addition, the Center for Environmental Farming Systems (CEFS) has received competitive grant funding from USDA to support 40 farmers per year acquiring GAP certification for 2013-2015.

The following provides an update on the other accomplishments of the Council:

- 1. Local Catch Summit: The subcommittee on Economic Development and Infrastructure of the Council assisted North Carolina Sea Grant and Saltwater Connections (a regional economic development initiative) in organizing a program on communication strategies for community-based, local-seafood educational organizations on February 22, 2012. The "Local Catch Summit" was designed to help Brunswick Catch, Carteret Catch, Ocracoke Fresh and Outer Banks Catch communicate the value of local seafood to consumers and educate the public about the social and economic contributions the seafood industry makes to the citizens of N.C. Forty-four individuals attended the one-day workshop.
- 2. Food Safety for School and Community Gardens: The subcommittee on Health, Wellness, Hunger and Food Access of the Council delved thoroughly into the many particulars surrounding school gardens, including meeting with other organizations interested in the same issues. Through interagency collaboration, the Food Safety for

School and Community Gardens document was developed: http://growingsafergardens.com/food-safety-curriculum/.

- 3. Local Foods Assessment Meeting: The subcommittee on Economic Development and Infrastructure of the Council conducted a local foods assessment meeting in Forsyth County. Forty entities and individuals from across the state attended this meeting. These are individuals and entities who are working in the area of assessing and quantifying the local foods market, the economic impact of local foods, or other quantifying aspects of local foods.
- **4. Working Groups:** The Council established regulatory working groups. The following issues were studied with the noted results:
 - a. U.S. Food and Drug Administration's (FDA) definition of cut leafy greens was studied. Through the research of the working group and a subsequent letter to the FDA by a Council member, clarity was provided to North Carolina farmers regarding new regulatory rules on harvesting.
 - b. A Present Use Value (PUV) working group was established to conduct research and generate dialog with stakeholders represented on the N.C. Use Value Advisory Board. This could guide development of specific revisions to the PUV statute. A farmer survey has been developed and is currently being conducted statewide.
 - c. After a number of meetings with local producers, consumers, researchers, and others on the existing North Carolina Egg Law (106-245.13), the regulatory working group determined that it is most important to maintain contact with the N.C. egg industry. Continued dialogue is needed to gather additional information regarding the FDA Salmonella Enteritidis regulation implementation and best position N.C. egg producers.
- 5. Council Representation to Outside Groups: Numerous Council members have presented before the General Assembly about the Council's mission and activity around local food. Members have also presented at other groups including the Eat Smart, Move More North Carolina Leadership Team, North Carolina Farm Bureau county boards, the North Carolina Business Resources Alliance, and Soil and Water Conservation groups. The Council was represented at the USDA National Agriculture Outlook Forum in Washington, D.C. regarding the local food economy on February 23-24, 2012. The Council was also represented at the White House Business Council's roundtable discussion centered on North Carolina's local food economy on June 6, 2012. Council staff has also met with dozens of other groups making presentations on the progress of the Council, inviting others to participate in work group and subcommittee meetings, and expanding the base of awareness of the activities of the Council. These activities included dialogue regarding the need to build rural economies through the protection and expansion of agricultural enterprise throughout North Carolina.
- **6. Listening Sessions:** The Council and stakeholders reviewed the results of the N.C. General Assembly's 2011 Regulatory Listening Sessions. Additional listening sessions

were hosted for farmers, fisherman, and local foods businesses to identify and document the regulatory and market barriers that prevent these entities from supplying their products to local markets and/or expanding their businesses to meet consumer demand for local foods. Locations of these meetings included Hatteras and Durham.

Two regulatory listening sessions were held with farmers and fishers groups by Councilmember organizations. These sessions provided participants the opportunity to raise state and local regulatory issues that affect their farm and food businesses. Participant concerns were passed along to the Council, Carolina Farm Stewardship Association (CFSA) leadership, and other relevant stakeholders and partners. Additional listening sessions will be conducted in the upcoming year including a focus on N.C.'s emerging brewery industry, urban agriculture, and entrepreneurial regulatory hurdles for farmers and local foods businesses.

7. Statewide Webinar: The subcommittee on Health, Wellness, Hunger and Food Access through leadership of the Division of Public Health in cooperation with the Division of Social Services (DSS) and the NCDA&CS provided a webinar for farmers market managers interested in USDA funding provided to DSS (~\$110,000) for purposes of expanding Supplemental Nutrition Assistance Program Electronic Benefits Transfer services at Farmers Markets. The webinar was recorded and can be downloaded here: https://ncpanbranch.sharefile.com/d/s01a0f86d2dd4df2a. Forty-six managers and community partners attended the webinar.

All approved minutes of the Council and subcommittee meetings are available on the website maintained for the Council as a service of the NCDA&CS: http://www.ncagr.gov/localfood.

2012 COUNCIL RECOMMENDATIONS

The Council met on September 20, 2012, and adopted the following recommendations for inclusion in its annual report:

Recommendations to the North Carolina General Assembly:

1) Appropriate funds for storage and preparation facilities in schools

The Council recommends that the N.C. General Assembly appropriate funds to increase the storage and preparation facilities in those schools lacking the equipment necessary to participate in farm to school programs. If evaluation data suggest a positive impact, consider additional funding from multiple public and private sources to expand the program. The Council encourages the N.C. General Assembly to structure funding in a way that incentivizes local contributions to such equipment purchases and facility construction, and, accordingly, to incentivize the purchase and use of local foods in schools.

Recommendations to the Governor:

1) Create a SNAP-Ed and EBT taskforce with stakeholders

There is significant potential for our state to receive increased Supplemental Nutrition Assistance Program-Education (SNAP-Ed) dollars due to changes in the federal regulations and high participation rates in North Carolina. The Council recommends the formation of a gubernatorial taskforce including the Department of Health and Human Services, NCDA&CS, Department of Public Instruction, NCCES, universities, representatives of farmers markets, and others. The charge of this taskforce is to produce a report recommending a statewide approach to securing and implementing funding and programming for SNAP-Ed and implementation of Electronic Benefits Transfer (EBT) at farmers markets.

2) Support the N.C. Farm to School Coalition

The Council recommends that the Governor support the newly formed N.C. Farm to School Coalition in working with state and local partners to complete a K-12 farm to school inventory that captures the "state of the state" around the three following focus areas in farm to school: food procurement, experiential nutrition and agricultural education, and school gardens.

Recommendations to the Governor and Commissioner of Agriculture:

1) Improve communication of the North Carolina food system

The Governor and Commissioner of Agriculture should work with the Council to improve communication across and within all sectors of the North Carolina food system by:

a) Establishing an online food systems portal; and

 Establishing an annual food systems public meeting or conference by enlisting the support and assistance of NCDA&CS, NCCES, CEFS, other stakeholders and members of the Council; and

Recommendations for the Council's Upcoming Year:

2) Continue to conduct local food listening sessions

In the interest of evaluating the impact of regulations on local foods, companies, farmers, fishermen, and institutions, and to ensure that current regulations and policies do not create an unnecessary and inadvertent disadvantage for small and medium-scale producers, the Council should continue to conduct listening sessions among local foods, farmers, fishermen, and business groups active in production, delivery or further processing of local foods. These meetings should be conducted in various locations across our state to optimize participation.

3) Conduct two meetings with the working title of "The Business of NC Local Foods" in Greenville and Greensboro to complement the existing Appalachian Sustainable Agriculture Project (ASAP) session in Western N.C.

For the purpose of promoting commerce between and among farms/farmers/fishermen, local foods companies and institutions, the subcommittee on Economic Development and Infrastructure should work with NCDA&CS, Council members, and stakeholders in the local foods community to conduct two meetings with the working title of "The Business of NC Local Foods" that will gather farmers and businesses to: 1) Improve access to market opportunities; 2) Feature new business models to meet growing local foods demand; 3) Stimulate commerce among participants; and 4) Collaborate on other meetings with similar purposes.

4) Support and advise local foods assessment and market development work

To promote growth and investment in the development of the local food economy, the

Council should support and advise local foods assessment and market development work

to be conducted by the Center for Environmental Farming Systems.

5) Conduct a facilitated strategic planning session

The Council should conduct a facilitated strategic planning session for the purpose of developing a shared focus, building collaboration among Council members, and the developing specific action steps regarding the future work plan.

6) Create a USDA GAPs school and community gardens taskforce with stakeholders Given that all suppliers to the N.C. Farm to School program are required to be USDA GAPs certified (or equivalent), the Council recommends creating a taskforce with NCCES, NCDA&CS and other stakeholders to develop a pilot program regarding food safety for school and community gardens. This taskforce will develop and test implementation strategies that include a certification process for school and community gardens using the "Food Safety for School and Community Gardens" guide produced by NCCES.

7) Improve communication of the North Carolina food system

The Council should work to improve communication across and within all sectors of the North Carolina food system by establishing an organized outreach program to assist in raising awareness and promoting the Council's mission.

APPENDIX A: AUTHORIZING LEGISLATION

The North Carolina Sustainable Local Food Advisory Council was established in August 2009 upon the ratification of Senate Bill 1067. The purpose and responsibilities of the Council can be found in Session Law 2009-530, Chapter 106-830 through 833 of the General Statutes:

 $\frac{http://www.ncga.state.nc.us/EnactedLegislation/SessionLaws/HTML/2009-2010/SL2009-530.html}{}$

Senate Bill 491; Session Law 2012-75 to Continue Local Food Advisory Council extends the NCSLFAC's sunset until July 31, 2015:

http://www.ncleg.net/Sessions/2011/Bills/Senate/PDF/S491v4.pdf

APPENDIX B: COUNCIL MEMBERSHIP AS OF SEPTEMBER 1, 2012

Name	Position	Appointed By	Term	Pos. No.
Commissioner Steve Troxler	Commissioner of Agriculture or the Commissioner's designee	Ex officio		1
Dr. Laura Gerald	State Health Director or the Director's designee	Ex officio		2
Secretary J. Keith Crisco	Secretary of Commerce or the Secretary's designee	Ex officio		3
Mr. Russ Volmer	Local organic food producer, organic crop producer	House Speaker	7/1/2015	4
Mr. Bob Pike	Local organic food producers, organic animal producer	House Speaker	7/1/2015	4
Mr. Randall Patterson	Conventional food producer, crop producer	Commissioner	7/1/2015	5
Mr. Brandon Moore	Conventional food producer, animal producer	Commissioner	7/1/2015	5
Mr. Mac Baldwin	Sustainable animal producer	Commissioner	7/1/2015	6
Ms. Jane Iseley	Sustainable crop producer	Commissioner	7/1/2015	6
Mr. Willy Phillips	Representative of commercial fishing industry	Pro Tempore	7/1/2012	7
Mr. Phil Hudson	Representative of the NC State Grange	House Speaker	7/1/2015	8
Ms. Debbie Hamrick	Representative from the NC Farm Bureau Federation, Inc	House Speaker	7/1/2013	9
Mr. Barry Nash	Representative of the Sea Grant College program	Pro Tempore	7/1/2013	10
Mr. Roland McReynolds, Esq.	Representative of the Carolina Farm Stewardship Association	Governor	7/1/2013	11
Dr. Nancy Creamer	Representative of the Center for Environmental Farming Systems	Governor	7/1/2013	12
Ms. Savonala Horne	Representative of the NC Association of Black Lawyers' Land Loss Prevention Project	Commissioner	7/1/2013	13
Mr. Charlie	Representative of the Appalachian	Pro Tempore	7/1/2013	14

Jackson	Sustainable Agriculture Project			
Mr. Mac Legerton	Representative of the Center of Community Action, Inc.	Commissioner	7/1/2013	15
Mr. John Day	Representative of the NC Association of County Commissioners	Pro Tempore	7/1/2013	16
Dr. Lynn Harvey	Representative of the Department of Public Instruction, Child Nutrition Services Section	Pro Tempore	7/1/2014	17
Dr. Joe Zublena	Representative of the NC Cooperative Extension Service, jointly administered by NCSU and NCA&TSU	Governor	7/1/2014	18
Dr. Alice Ammerman	Representative of the Center for Health Promotion and Disease prevention at the UNC-Chapel Hill	Pro Tempore	7/1/2014	19
Ms. Earline Middleton	Representative of a food bank located in NC	Governor	7/1/2014	20
Vacant	Representative of the food retail or food service industry	Governor	7/1/2014	21
Ms. Margaret Newbold	Representative of the Conservation Trust for North Carolina (CTNC)	House Speaker	7/1/2014	22
Mr. Billy Ray Hall	Representative of the NC Rural Economic Development Center, Inc.	House Speaker	7/1/2014	23
Mr. Uli Bennewitz	Representative of a business engaged in the processing, packing, or distribution of food	House Speaker	7/1/2014	24

APPENDIX C: SUBCOMMITTEE MEMBERSHIP

Commissioner Steve Troxler, Chairman Dr. Nancy Creamer, Vice-Chair

Health, Wellness, Hunger and Food Access

Dr. Alice Ammerman, Chair

Dr. Laura Gerald

Dr. Lynn Harvey

Earline Middleton

Land, People, and Natural Resources

John Day, Chair

Savi Horne

Phil Hudson

Margaret Newbold

Randall Patterson

Economic Development and Infrastructure

Uli Bennewitz

Keith Crisco

Billy Ray Hall

Debbie Hamrick, Chair

Charlie Jackson

Mac Legerton

Roland McReynolds

Brandon Moore

Barry Nash

Willy Phillips